

# Representative Bob Kuzman

## Indiana House District 19

### Information on Property Tax Exemptions

The Indiana Tax Court, as a result of a lawsuit filed with the Indiana Supreme Court, mandated the 2002 pay 2003 General Reassessment.

The General Assembly has adopted the following changes in property tax exemptions and deductions to help offset the increase in taxes:

- Increased Homeowners Exemption for qualified homeowners from \$6,000 up to a maximum of \$35,000
- Eliminated 60% of the School General Fund Levy through state-paid Property Tax Replacement Credit
- Increased Homestead Credit
- Established new Property Tax Replacement Credit on all individual and business real property
- Increased property tax deductions by 108% for the following:
  - elderly individuals
  - blind or disabled individuals
  - individuals disabled during wartime service
  - disabled veterans
  - surviving spouses of a World War I veteran
  - those who have rehabilitated a residential property
  - rehabilitation of a historic property
  - rehabilitation of property in a residentially distressed area

According to figures released by the State's Department of Local Government Finance, these reforms have succeeded in substantially reducing the impact of the court-ordered reassessment on Lake County property tax-payers. In fact, the average property tax bill in Lake County is about 43 percent lower than it would have been if no action had been taken.



## Keeping in Touch with Rep. Bob Kuzman

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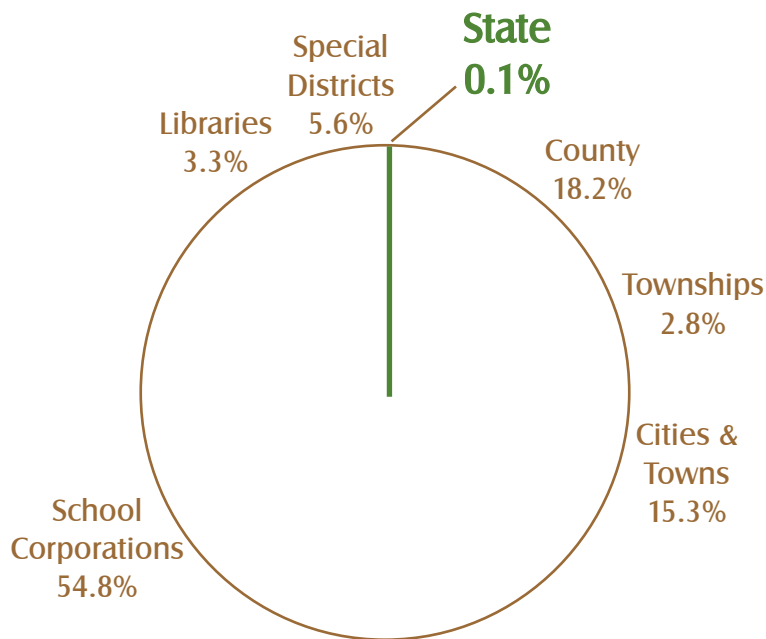
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Please contact me if you would like to receive weekly updates from my office.

# Property Tax Reassessment

## Property Tax Revenue Distribution



The chart above represents the distribution of property tax revenue for the pay 2002 cycle. The actual percentages will vary slightly from county to county, but these numbers generally represent how much each entity receives, on average, statewide.

**All property taxes are assessed, raised and spent locally, not by the state.**

## Property Tax Quick Facts

- The state receives less than .1% of the revenue generated from property taxes.

- Almost a third of the state budget—\$3.7 billion for fiscal year 2004—is dedicated to property tax relief.

- In addition, half of all sales tax revenue pays for property tax relief—\$3 billion in fiscal year 2004.

### Why do property taxes increase?

- Local government entities increase their levies (the amount they collect from their property tax district).

- Property tax burdens shift for many reasons, such as a significant business closing, which leaves a greater percentage of the property tax burden to be shared by other property owners.



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